

Stakeholder Recommendations from Permanent Source Meetings

Document Color Coding:

Green: majority of support - Red: good amount of support - Blue: hardly any support - Purple: Comments

What should be funded by a permanent source?

Homeownership programs for local governments that allow the loan repayments and a share of the equity to remain with the local government to assist additional homeowners (Calhome)

Continue funding for the State Multifamily Housing Program that has been successful in developing a large number of affordable rental housing units

Rental housing with supportive services for special needs populations, including, but not limited to: veterans, disabled, people transitioning out of homelessness, battered women, and homeless youth. Additional funding for supportive services tied to housing.

Programs that require compliance with State Housing Element Law and reward local governments that do a really great housing element

Bulk of funds should go to sticks in the ground to increase housing supply in places private sector can't go because it's too expensive to do so

Make housing for all levels a priority in state investments; partner with all communities

Affordable housing is based upon market forces such as land costs. There is a great need for long-term planning on acquisition of land, and mechanisms such as long term leases and land banking

Housing related infrastructure costs for infill and transit oriented development should continue. Water and sewer projects related to a housing site are effective. Continue to fund parks as housing incentives.

Help supplement section 8 rental assistance program and put funds into a state rental program for long term rental subsidies.

Public education program and public relations campaign in support of housing, including: elected official, the public at large, as well as financial literacy

Fund housing programs for homeless including homeless youth; the market will not take care of homeless as they do not fit in the typical supply/demand model.

Prioritize funding for people with greatest need based on income, poverty, overcrowding, and rent burden

Program should target people at 80-120% of medium income and those at 120-200% for higher priced areas. This will help get workers into counties where jobs are, like nurses, police firefighters – real middle class

Fund housing programs for Farm-workers including migrant farm workers

Provide funding for and encourage planning. Program criteria should give priority to growth models that are consistent with State land use/transportation goals (smart growth)

Provide some funding local Housing Trust Funds

Revitalize and rehabilitate existing housing stock to ensure that low-income homeowners are able to remain in their homes living in warmth, safety and with dignity. Also rehabilitate and preserve rental housing stock including affordable housing.

Leverage other public entities (e.g., LA Unified School District, community colleges) for students/staff to use their existing assets. Leverage money and land from organizations not historically involved in housing production. Reward jurisdictions or public entities who are using their existing resources

Programs should facilitate sustainable and green buildings; loan/grant amount should be adjusted to achieve this.

Build flexibility into what the permanent source can and will fund. Decide on programs up front, but build in flexibility as housing needs change

Special secondary market for CA to purchase homeowner loan

Funding for senior housing with and without services (because 9% credits are too competitive so are 4% bonds with MHP)

Tax benefits for employers who invest in workforce housing (see also under sources)

CalHFA first time homebuyer and teachers programs should continue at State level as the larger pool provides capacity to assist a larger number of homeowners

Incentivize rental properties that provide stabilized rents for long term renters

Workforce housing should include children, families, and childcare facilities as part of the housing design.

Self help housing programs that address 50-100% of area median income (AMI) - workforce homeownership

Ensure rural areas are served

Funding for land trusts and permanent equity

Rental housing production program that ties operating subsidy with project financing to extremely low income, similar to HUD Section 202 or 811.

Fund predevelopment costs (loans): nonprofits could use these funds to boost production capacity. Also provide assistance to developers by paying impact fees especially for homeless shelters and affordable housing

Housing with universal design in order to keep people in their homes longer

Family Rental housing for 60%-80% median

Funding for mixed-use projects

Interest rate buy-down assistance for homeowners to lower monthly mortgage payments. This will help decrease monthly rents.

Innovative Program: Have some funds for new demonstration programs

Design and/or facilitate multi-generational housing

Mobile Home Park acquisition program should be restored to previous level. This is housing of last resort for many people and can be very successful if owned by the residents. Funding should address infrastructure improvements.

Program to replace substandard mobile homes in addition to CalHome funds

Money and resources for administrative costs

On the job training provided by community colleges and nonprofits

Form the Housing Opportunity Tax Credit (HOTC) for landlords to rent to extremely low income. Give landlords the benefit for tax reporting.

Shared Housing programs including counseling

Use DMV sites for the development of housing

Restore tax incentives terminated in 1986. Market rate rental properties are difficult to develop due to fees, delays in the entitlement process, and competition for the same multi-family designated land with condos.

Comments:

The commenter cautions about allowing fee rates to increase or creating a bigger disincentive to build market rate rental housing and also cautions against inclusionary zoning paid by building industry alone rather than sharing cost across the entire population. We should look at a way to increase the stock of market rate rental properties.

Workforce housing is a regional problem, must work on a regional solution

Use the business community to help educate the public and elected officials in order to free up the state to concentrate on putting "sticks in the ground". The business community has a workforce housing score card that seems to be effective. The housing tool kit should be localized.

Encourage the continued use of public/private partnerships in housing development

How should the funds be distributed?

Keep in place existing government structure/programs (state and local). We do not need another bureaucracy

Local communities already have the infrastructure in place and would like the opportunity to continue/increase their housing activities.

Fair geographic distribution is needed; San Francisco and Los Angeles should not receive all the funds. Population should be apart of the award criteria.

Funds should be used to supplement not supplant existing funding efforts

Incentivize communities that have grade "A" housing elements vs "C" housing elements and good housing production

Use HOME allocation formula, but streamline the process

Take advantage of non-profit organizations that exist, such as regional associations of non-profits who are owners and developers of affordable housing. Don't forget the small community based organizations, bigger doesn't always mean better.

Housing is a regional issue, competition should be regional

Develop community partnerships and they apply for state funding. The partnerships would decide where the funding would be best used to meet local housing needs

State must be involved for the lowest economic segments of the population as it is not politically viable to do on the local level (NIMBY)

Review local agencies' capacity and desire to produce affordable housing within their jurisdiction before funds are given (capable, good performance to be funded)

Block grant type of funding vs. project based – i.e., entitlement communities get a set amount and non-entitled communities compete on a statewide level

Create enterprise zone for affordable housing. State needs to be a full partner in order to redefine affordable housing

Tie funding to each county's 10year homeless plan (to end chronic homelessness)

Special needs populations need to have set aside. NIMBYism real problem for this group

Target localities with smaller populations, but higher need and regulate

Comments:

HCD has the opportunity to direct growth and development- how the development should happen, for example green development – HCD should get in front of the development process and support its high and best use that MHP and Infill dollars can leverage

Give more points, in the HCD programs, to applicants that provide services to housing residents.

Sources of funding?

Overall consensus is that we need a combination of sources, not just one permanent source

Create a secondary Market for CA (away from Fannie Mae/Freddie Mac); Investors who are devoted to development in CA

Bonding on equity accumulated in shared appreciation homeownership funds (see concept in programs section) to raise additional monies for homeownership assistance.

Add ½% sales tax for affordable housing

Broadband and internet tax

Create an employment tax on an inverse scale to worker's wages. Employers create a demand for housing and should contribute to solution.

Reassess homes over a set value such as \$600,000 every 10 years and deposit that increment into the Housing Trust Fund (requires adjustment to Proposition 13). Set a threshold based on the State median home price. Reappraisal triggered when cash equity taken out as well as when there is a change of ownership. Allowances can be made based on income or special needs – e.g., elderly on fixed income or disabled

Document Recording Fee

Hotel Tax/Transient occupancy tax (TOT)

Transfer fee (real estate transaction fee/all industrial properties)

Property tax should aid in supporting affordable housing

Port fee to help pay for TOD infrastructure (the containers coming in require/demand a workforce population (distribution & warehousing) that have the most need for public transit) A entire country is demanding products through our ports which affects how we circulate and develop our region. There is not enough work-force housing in our region to accommodate this population within reasonable reach of their jobs, thus having to commute from miles around to get to these jobs. A port fee to pay for TOD infrastructure development that would encourage affordable housing development and maybe even pay for some housing projects directly is justifiable, because the port activities created such a demand. Additionally, this would contribute into the port's calculations for their mandates to reduce emissions created by the trucking and shipping industry

Luxury items sales tax (yacht, etc)

Commuter Fee, charge those who commute long distances in order to fund local affordable housing in the communities where they work. This will allow for funding affordable housing so people will not have the long commutes that clog roads, cost large amounts of money and hurt the environment. The fee for this program will be part of bridge tolls for bridges run by Caltrans. .25 cents from each bridge toll (during commuter hours) would go towards affordable housing, closer to jobs.

Provide off-setting tax credit to businesses that provide assistance to their employees. University of CA Irvine currently has this program

Provide a new tax incentive/credit at the State level for private investment in affordable housing

Adjust Proposition 13 to reduce tax incentives for commercial development over housing development (so called fiscalization of land use). Commercial properties escape reassessment at time of sale due to ownership by partners. Modify this and designate a percentage of the reassessment and tie it to linkages with affordable housing

Tax on commercial development based on square footage.

Millionaire income tax (1/2%)

Tax on sale of home not a primary residence

Entertainment tax (sports, performing arts, video games and exhibits (discretionary items)

Inclusionary Zoning ordinances

Require unused Redevelopment housing set aside funds (excess surplus) to go to a State Housing Trust Fund to support statewide programs

Roll back the mortgage interest deduction and use funds for housing programs

Construction tax that could be reduced when affordable housing is produced

Sin tax

Voluntary tax check off

Raise the increment requirement from 20% to 30% for the Redevelopment Low-Mod increment (set aside, raise the contribution requirement)

Gas tax with linkages between housing, transportation, jobs, and gas

Allocation from the proposed National Housing Trust Fund to the State; make sure California gets its fair share. Create a partnership with California and the Federal Government

State, local, county, housing authorities and other public agency districts that have responsibility to build affordable housing should designate a portion a portion of the General Fund Reserve for affordable housing and infrastructure for housing – i.e., a set aside of the General Fund. Or there would be financial, funding or other incentives for local agencies to accomplish their housing goals.

Have developers donate homes (with a tax deduction to them) and have those homes raffled to citizens, all those proceeds can be put in this housing trust fund

Vehicle Tax

Mandatory income tax to support housing that is affordable.

Special assessment can be made to homeowners based on the amount of Homeowners Association (HOA) fees that are paid (for condo and townhouse owners) or insurance (for home owners) for housing trust fund. The way it would work is, if an individual pays \$3,000 per year in HOA fees the assessment could be 10% of that, or \$300. In return the owner may be able to deduct all HOA or Insurance in its income filing. The math will have to be worked out, but it would be an assessment with the benefit of deducting something that they already pay. On the other side, that amount collected will have to be higher than the amount lost in the deduction in order to benefit the state. This way it will be a win-win situation for individuals and the state

Have banks pay title insurance for affordable projects

Origination fee: Collect from real estate borrowers over a certain income, or all (loan fee)

Interest on title insurance and escrow accounts, percentage to affordable housing

Tax on utility usage over "reasonable standard"

Arizona: ½ of money from abandoned properties fund (generating approx. \$50 million per year)

Energy efficient green building element, capture the energy saving from green homes and use the savings for affordable housing

Gas corporations (oil companies) have large profit margins; place an incremental tax on their profit

Voluntary license plate fee directed towards housing that is affordable

A 3 cents surcharge on all US postal stamps (residential and commercial) purchased in the State of California. This means the current price of a stamp would go from 41 to 44 cents. Two cents of the surcharge would go directly to financing the Housing Trust Fund (HTF) and one cent would go to the postal service to off-set any additional administrative burden. If implemented, it would raise the price of any stamp by just 3 cents but would produce \$20,000 of HTF funds for every million stamps purchased. Assume that minimally 5,000,000 stamps are purchased each day statewide that would result in a \$100,000 per day revenue stream for the Housing Trust Fund. Multiply that by 300 postal days (minus 52 Sundays and 13 Federal Holidays) the HTF would receive \$30 million annually from this source. I believe that the 5 million is a conservative number and much more revenue could be raised annually from this source. If the number were 20,000,000 stamps a day that would produce \$120 million annually.
FEDERAL

Create an investment pool that the State guarantees

Tax on real estate commissions

2nd State wide lottery for housing

Lottery tax

Use unclaimed property funds for emergency shelters

Confiscated property sales should go toward affordable housing

Tax write off (pre tax adjustment) for contributions to housing trust funds

Adjust tax codes to incentivize market rate rental housing (restore incentives eliminated in 1986 tax code changes) **FEDERAL**

Dedicate increased resources collected because of better enforcement efforts to affordable housing – e.g., when LA added extra auditors to the budget process, they experienced better enforcement of and higher revenues from collection accounts.

Housing bonds

Comments:

There should be a nexus between funds collected and the creation of the need for the funds. The fairness/nexus issue should be addressed both from a political as well as legal viewpoint. Mandatory inclusionary zoning as well as real estate transfer fees are inherently unfair and will probably be found to be illegal (opposed to inclusionary zoning and transfer tax)